

REPORT
LOUISIANA DISTRICT ATTORNEYS
ASSOCIATION, INC.

JUNE 30, 2012

Under provisions of state law this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date APR 24 2013

REPORT

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC

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INDEPENDENT AUDITOR'S REPORT

December 21, 2012

Louisiana District Attorneys Association, Inc
1645 Nicholson Drive
Baton Rouge, LA 70802-8143

We have audited the accompanying statement of financial position of Louisiana District Attorneys Association, Inc., a nonprofit organization, as of June 30, 2012 and the related statements of activities and changes in net assets, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The Association has not determined the liability relating to post employment benefits nor has it disclosed some of the related disclosures in accordance with accounting principles generally accepted in the United States of America. The effects of these departures on the financial statements are not reasonably determinable.

In our opinion, except for the effects of the matters discussed in the third paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana District Attorneys Association, Inc. as of June 30, 2012, and its changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards* we have also issued a report dated December 21, 2012, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2012

ASSETS

Cash and cash equivalents (Notes 1 and 6)	\$ 190,862
Cash and cash equivalents - temporarily restricted (Notes 1, 6 and 8)	17,164
Grants receivable (Note 1)	290,757
Accounts receivable (Note 1)	75,202
Property and equipment, net (Notes 5 and 8)	274,066
Property and equipment, temporarily restricted, net (Notes 5 and 8)	1,206
Deposits	<u>1,178</u>
 TOTAL ASSETS	 \$ <u><u>850,435</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Unearned revenue - grants (Note 1)	\$ 17,164
Accounts payable	5,959
Notes payable (Note 10)	94,829
Other liabilities	<u>14,480</u>
Total liabilities	<u>132,432</u>

NET ASSETS

Unrestricted net assets	716,797
Temporarily restricted net assets (Notes 1, 6 and 8)	<u>1,206</u>
Total net assets	<u>718,003</u>

TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>850,435</u></u>
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See accompanying notes.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES:			
Assessments (Note 1)			
Membership	\$ 814,768	\$ -	\$ 814,768
Conference and training	164,504	-	164,504
Contractual fee income	12,498	-	12,498
District Attorneys Retirement System (DARS)	155,612	-	155,612
Grants	1,784,648	-	1,784,648
Law enforcement handbook	41,968	-	41,968
Miscellaneous	65,127	-	65,127
Gain on sale of property and equipment	7,727	-	7,727
Net assets released from restrictions	709	(709)	-
Total revenues	<u>3,047,561</u>	<u>(709)</u>	<u>3,046,852</u>
EXPENSES			
Program services	2,923,165	-	2,923,165
Support services - Management and general	187,780	-	187,780
Total expenses	<u>3,110,945</u>	<u>-</u>	<u>3,110,945</u>
Change in net assets	(63,384)	(709)	(64,093)
Net assets at beginning of year	<u>780,181</u>	<u>1,915</u>	<u>782,096</u>
Net assets at end of year	\$ <u><u>716,797</u></u>	\$ <u><u>1,206</u></u>	\$ <u><u>718,003</u></u>

See accompanying notes

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	PROGRAM						
	Child Support <u>Enforcement</u>	Criminal Records <u>Improvement</u>	RICO Financial <u>Investigations</u>	Victims <u>Assistance</u>	Juvenile <u>Justice</u>	Training & <u>Equipment</u>	Elderly Services <u>Program</u>
Salaries and wages	\$ 76,466	\$ 48,575	\$ 79,081	\$ 53,102	\$ 53,385	\$ -	\$ 4,502
Payroll taxes and benefits	12,205	13,031	17,635	13,133	14,149	-	83
Automobile expenses	-	-	-	-	-	-	-
Contractual services	1,100	60,490	125	500	1,000	-	3,850
Insurance	888	174	487	308	356	-	-
Travel and luncheons	2,530	2,000	9,707	688	5,357	-	5,067
Postage	76	5	597	10	46	898	170
Telephone and utilities	6,162	2,321	5,975	4,324	1,197	-	-
Printing and newsletter	2,430	93	1,016	233	846	671	1,571
Consumable supplies	3,261	1,352	4,438	-	745	1,013	3,572
Repairs, maintenance and rentals	11,184	-	14,455	737	6,798	7,418	8,917
Dues, subscriptions, registration	1,213	-	770	-	60	-	763
Interest	-	-	-	-	-	-	-
Equipment purchased	-	4,216	-	-	-	10,000	-
Conference expenses	2,185	-	7,138	90	4,076	-	7,125
Miscellaneous expense	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-
Total expenses	<u>\$ 119,700</u>	<u>\$ 132,257</u>	<u>\$ 141,424</u>	<u>\$ 73,125</u>	<u>\$ 88,015</u>	<u>\$ 20,000</u>	<u>\$ 35,620</u>

SERVICES							SUPPORT SERVICES	
ARRA Information System Upgrade	Member Services	Worthless Checks	Highway Traffic Safety	NAPC Services	DARS	Total	Management & General	Total
\$ 107,520	\$ 251,066	\$ 52,231	\$ 65,371	\$ 12,148	\$ 76,694	\$ 880,141	\$ 51,423	\$ 931,564
20,621	114,234	18,328	14,463	985	28,104	266,971	23,397	290,368
-	10,982	-	-	-	-	10,982	2,249	13,231
913,532	122,099	-	1,000	-	1,000	1,104,696	25,008	1,129,704
-	7,822	279	422	-	498	11,234	1,602	12,836
3,112	40,756	1,234	6,385	-	6,666	83,502	8,348	91,850
-	4,144	73	415	-	3,224	9,658	849	10,507
-	24,540	8,116	3,622	-	7,083	63,340	5,026	68,366
-	47,139	232	1,081	-	3,941	59,253	9,655	68,908
-	22,528	1,116	3,782	-	1,269	43,076	4,614	47,690
-	42,863	8,654	8,460	-	2,463	111,949	8,779	120,728
-	21,807	-	1,423	-	-	26,036	4,466	30,502
-	6,065	38	-	-	-	6,103	1,242	7,345
-	4,497	-	-	-	-	18,713	921	19,634
-	139,369	-	9,966	-	670	170,619	28,546	199,165
-	11,563	-	-	-	-	11,563	2,369	13,932
-	45,330	-	-	-	-	45,330	9,285	54,615
<u>\$ 1,044,785</u>	<u>\$ 916,803</u>	<u>\$ 90,301</u>	<u>\$ 116,390</u>	<u>\$ 13,133</u>	<u>\$ 131,612</u>	<u>\$ 2,923,165</u>	<u>\$ 187,780</u>	<u>\$ 3,110,945</u>

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (64,093)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	54,615
Gain on sale of property and equipment	(7,727)
Changes in operating assets and liabilities	
Accounts and grants receivable	256,082
Deposits	5
Accounts payable and other liabilities	18,359
Unearned revenue	<u>(177,650)</u>
Net cash provided by operating activities	<u>79,591</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of property and equipment	28,000
Property and equipment purchased	<u>(58,106)</u>
Net cash used by investing activities	<u>(30,106)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on note payable	<u>(13,769)</u>
Net cash used by financing activities	<u>(13,769)</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

35,716

CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR

172,310

CASH AND CASH EQUIVALENTS AT END OF YEAR

\$ 208,026

SUPPLEMENTAL INFORMATION

Interest paid	<u>\$ 7,345</u>
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See accompanying notes

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

DESCRIPTION OF OPERATIONS

The Louisiana District Attorneys Association, Inc (LDAA) is a non-profit corporation established to provide assistance to participating Louisiana district attorneys and their assistants. The assistance includes education, training, resources and implementation of the Prosecutor Information Management System (PIMS). Funding is received from assessments of the district attorneys and participation in other federal grant programs including child support enforcement, improvement of criminal records, RICO financial investigations, crime victims' assistance, Hurricane Criminal Justice Recovery, highway traffic safety, worthless checks and violence against women programs. These federal programs are received directly from the issuing agencies, through the Louisiana Commission on Law Enforcement (LCLE), whereas the LDAA is sub-recipient, and the Louisiana Department of Social Services (DSS).

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the major accounting policies followed in the preparation of the accompanying financial statements is set forth below.

Basis of Accounting and Presentation

The financial statements are prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when they are incurred. Unearned revenue is reflected on grants that are advanced until the funds have been expended.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (FASB ASC) 958-205, *Financial Statements for Not-for-Profit Organizations*. Under FASB ASC 958-205, the LDAA is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

The statement of activities presents expenses of the Association's operations functionally between program and support services.

Assessments

Members are assessed dues to cover the cost of member services provided by the Association. Separate registration fees are charged for conferences that provide continuing legal education. Additional assessments have been made to judicial districts that are participants in programs funded by federal grants.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes:

The Association is exempt from income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(6). Accordingly, no provisions for Federal or State income taxes have been recorded in the financial statements.

Statement of Cash Flows

For purposes of the statement of cash flows, the Association considers cash and cash equivalents to be all items designated as "cash and cash-restricted" on the statement of financial position.

Accounts Receivable

Accounts receivable represents amounts due from district attorney offices for assessments that have been billed and not been received as of June 30, 2012. Based on past experience in collections, no allowance for uncollectibility is required.

Unearned Revenue/Restricted Cash

Unearned revenue represents grant exchange transaction advances collected in advance as of June 30, 2012. Cash related to these advances is considered temporarily restricted until funds are earned.

Net Assets

Unrestricted net assets represent resources whose use is not limited by donors. They generally arise as a result of exchange transactions, unrestricted contributions or restricted contributions whose restrictions have expired.

Temporarily restricted net assets are amounts received with donor stipulations that limit the use of the assets. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities as net assets released from restrictions.

There are no permanently restricted net assets.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

2 USE OF ESTIMATES.

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts

3 PENSION PLAN

Substantially all full-time employees of the Association are members of the Louisiana District Attorneys Retirement System, a cost - sharing, multiple - employer defined benefit pension plan administered by a separate board of trustees

All persons who are district attorneys of the State of Louisiana, assistant district attorneys in any parish of the State of Louisiana, or employed by the Retirement System and the Louisiana District Attorneys Association except for elected or appointed officials who have retired from service under any publicly funded retirement system within the state and who are currently receiving benefits, shall become members as a condition of their employment; provided, however that in the case of assistant district attorneys, they must be paid an amount not less than the minimum salary specified by the board of assistant district attorneys

Members who joined the System before July 1, 1990, and who have elected not to be covered by the new provisions, are eligible to receive a normal retirement benefit if they have 10 or more years of creditable service and are at least age 62, or if they have 18 or more years of service and are at least age 60, or if they have 23 or more years of service and are at least age 55, or if they have 30 years of service regardless of age. The normal retirement benefit is equal to 3% of the member's average final compensation for each year of creditable service. Members are eligible for early retirement at age 60 if they have at least 10 years of creditable service or at age 55 with at least 18 years of creditable service. Members who retire prior to age 60 with less than 23 years of service credit receive a retirement benefit reduced 3% for each year of age below 60. Members who retire prior to age 62 who have less than 18 years of service receive a retirement benefit reduced 3% for each year of age below 62. Retirement benefits may not exceed 100% of final average compensation.

Members who joined the System after July 1, 1990, or who elected to be covered by the new provisions, are eligible to receive normal retirement benefits if they are age 60 and have 10 years of service credit, are age 55 and have 24 years of service credit, or have 30 years of service credit regardless of age. The normal retirement benefit is equal to 3.5% of the member's final average compensation multiplied by years of membership service. A member is eligible for an early retirement benefit if he is age 55 and has 18 years of service credit. The early retirement benefit is equal to the normal retirement benefit reduced 3% for each year the member retires in advance of normal retirement age. Benefits may not exceed 100% of average final compensation.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

3. PENSION PLAN (Continued)

The fund is financed by employee and employer contributions established by state statute. Employee contributions are 7% of salary for active members. Employer contributions are actuarially determined and were 9.75%, 9% and 5% of salary for the years ended June 30, 2012, 2011 and 2010, respectively. Employer contributions totaled \$91,417, \$77,740 and \$41,037 for the years ended June 30, 2012, 2011 and 2010, respectively. In addition, the fund receives revenue sharing funds as appropriated by the legislature and ad valorem taxes as determined by the Public Retirement Systems' Actuarial Committee up to a maximum of 2% of the ad valorem taxes shown to be collected. According to state statute, in the event that the contributions from ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement Systems' Actuarial Committee.

During the year ended June 30, 2012, the System's actuarial valuation used the Aggregate Actuarial Cost Method based on earnings which does not identify and separately amortize unfunded actuarial liabilities. The actuarial value of assets is based on the market value of investment securities adjusted to smooth realized and unrealized capital gains over a three-year period. The actuarial assumptions include a 7.5% investment rate of return (reduced from 8% in 2011) and projected salary increases of 6.5%. Cost of living adjustments are based on specific target ratios being met and excess interest earning available to fund a benefit increase.

The Association has not determined the cost of its plan in accordance with FASB ASC 715-30 *Defined Benefit Plans-Pension*, which is effective for plan years ending after December 15, 2008. FASB ASC 715-30 requires the cost of defined benefit plans to be recognized over the employees' respective service periods and a liability to be recognized when the accumulated benefit obligation exceeds the fair value of plan assets. The effect of that departure on the financial statements is not reasonably determinable.

The System issues an annual, publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the District Attorneys Retirement System of Louisiana, 1645 Nicholson Drive, Baton Rouge, Louisiana 70808.

4. SICK LEAVE

All employees of the Association are entitled to twelve days of sick leave each year. A maximum of twenty-five days may be carried over to the following year. The Association does not pay employees for accumulated leave at termination of employment.

5. PROPERTY AND EQUIPMENT

The cost of property, plant and equipment is depreciated over the estimated useful lives of the related assets. Depreciation is computed on the straight-line method. Depreciation expense for the period ended June 30, 2012 was \$54,615. The Association capitalizes all property and equipment purchases in excess of \$1,000 at cost.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

5 PROPERTY AND EQUIPMENT. (Continued)

Estimated useful life of fixed assets is as follows

Buildings and improvements	15 years
Equipment	5-7 years
Furniture and Fixtures	5-7 years
Vehicles	5 years

The following is a summary of property, plant and equipment valued at cost, less accumulated depreciation

Land	\$ 73,000
Buildings and improvements	589,875
Equipment	149,721
Furniture and fixtures	62,165
Vehicles	<u>66,709</u>
	941,470
Less. Accumulated depreciation	<u>666,198</u>
Net property, plant and equipment	<u>\$ 275,272</u>

Equipment includes computer equipment, software and licensing agreements purchased with federal funds. The original cost of the equipment purchased with federal funds totaled \$33,958 and the net book value as of June 30, 2012 was \$1,206. The net book value is recorded on the financial statements as temporarily restricted net assets.

6. CASH AND CASH EQUIVALENTS

At June 30, 2012, the Association held investments in Louisiana Asset Management Pool (LAMP) with a fair value of \$175,330 which is based on the original investment plus earnings. This amount includes \$17,164 unearned revenue from MacArthur Foundation which requires advanced funds to be held in a separate account. The investment in LAMP is included in cash and cash equivalents on the statement of assets, liabilities and net assets.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest in accordance with LSA-R S 33:2955. Accordingly, LAMP investments are restricted to securities issued, guaranteed or backed by the U.S. Treasury, the U.S. Government, or one of its agencies, enterprises or instrumentalities, as well as repurchase agreements collateralized by those securities.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

6 CASH AND CASH EQUIVALENTS (Continued)

The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than ninety days and consists of no securities with maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances. LAMP's investments are stated at fair value based upon quoted market rates. The fair value is determined on a weekly basis by LAMP and the value of the position in the external investment pool is the same as the value of the pool shares.

LAMP, Inc. is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

7 TRANSACTIONS WITH RELATED ORGANIZATION

The Association shares certain common functions and costs with the District Attorneys Retirement System of Louisiana (DARS). The LDAA provides the DARS with office space, office equipment, and administrative and accounting services. The LDAA paid expenses on behalf of the DARS in the amount of \$131,612. The LDAA also billed DARS \$24,000 for office space during the year ended June 30, 2012.

8 NET ASSET CLASSIFICATIONS

Temporarily restricted assets relating to computer software and equipment purchased with grant funds that have been capitalized and are being depreciated over a five-year period. During the current year \$709 of depreciation was expensed and thereby released from restriction.

9. LEASES

The Association leases a copy machine under an operating lease that expires in August 2015. Minimum future rental payments under an operating lease having a remaining term over one year as of June 30, 2012 are:

<u>Fiscal Year Ended</u>	<u>Amount</u>
2013	\$ 10,908
2014	10,908
2015	<u>2,727</u>
Total minimum future lease payments	<u>\$ 24,543</u>

The total amount charged to expense related to the copy machine lease was \$13,392 for the year ended June 30, 2012.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

10. NOTE PAYABLE

Note payable consists of the following:

Mortgage payable to Whitney National Bank, secured by the Association's building The note bears interest of 6 806% with monthly installments of \$1,661 and matures November 2017	\$ 94,829
Less current maturities	<u>14,988</u>
Total long-term debt	<u>\$ 79,841</u>

Following are maturities of the debt for each of the next five years and thereafter

<u>Year Ended</u>	<u>Amount</u>
2013	\$ 14,988
2014	15,883
2015	16,822
2016	17,815
2017	18,866
Thereafter	<u>10,455</u>
	<u>\$ 94,829</u>

The total amount charged to expense related to the note payable was \$7,345 for the year ended June 30, 2012

11. DATE OF MANAGEMENT'S REVIEW

Management has evaluated subsequent events through, December 21, 2012, which is the date the financial statements were available to be issued and determined that no events occurred that require disclosure No subsequent events occurring after this date have been evaluated for inclusion in the financial statements



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WILLIAM R. HOGAN, JR., CPA
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REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

December 21, 2012

Board of Directors
Louisiana District Attorneys Association, Inc.
1645 Nicholson Drive
Baton Rouge, LA 70802-8143

We have audited the financial statements of the Louisiana District Attorneys Association, Inc. (the Association), as of and for the year ended June 30, 2012, and have issued our report thereon dated December 21, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Louisiana District Attorneys Association, Inc. is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Association's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing our opinion on the effectiveness of Louisiana District Attorneys Association's, Inc. control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Association's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined on the previous page

However, we identified two deficiencies in internal control over financial reporting, 2012-01 and 2012-02, described in the accompanying schedule of findings and questioned costs that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The Association's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Association's response, and accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Board of Directors and management of Louisiana District Attorneys Association, Inc., federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Krapmann, Hogan & Maher, LLP

WILLIAM G. STAMM, C.P.A.
CLIFFORD J. GIFFIN, JR., C.P.A.
LINDSAY J. CALUB, C.P.A., L.L.C.
GUY L. DUPLANTIER, C.P.A.
MICHELLE H. CUNNINGHAM, C.P.A.
DENNIS W. DILLON, C.P.A.
GRADY C. LLOYD, III, C.P.A.

ANN H. HEBERT, C.P.A.



DUPLANTIER, HRAPMANN,
HOGAN & MAHER, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

MEMBERS
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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT OR MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

December 21, 2012

Board of Directors
Louisiana District Attorneys Association, Inc
1645 Nicholson Drive
Baton Rouge, LA 70802-8143

Compliance

We have audited Louisiana District Attorneys Association, Inc.'s (the Association) compliance with the types of compliance requirements described in the *US Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Association's major federal programs for the year ended June 30, 2012. The Association's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Association's management. Our responsibility is to express an opinion on the Association's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on major federal programs occurred. An audit includes examining, on a test basis, evidence about the Association's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Association's compliance with those requirements.

In our opinion, the Association complied, in all material respects, with the compliance requirements referred to on the previous page that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012

Internal Control Over Compliance

Management of the Association is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Association's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Association's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of significant deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors and management of Louisiana District Attorneys Association, Inc., federal awarding agencies, pass-through entities, and the Louisiana Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Duplantier, Hrapmann, Hogan & Maher, LLP

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

<u>Grantor</u>	<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Sub-Grant No</u>	<u>2012 Expenditures</u>
U.S. Department of Justice, Justice Assistance Grant (JAG) cluster, passed through Louisiana Commission on Law Enforcement				
U S Department of Justice	Office of Justice Program, Criminal Justice Infrastructure	16 738	B10-8-001	\$ 139,985
U S Department of Justice	American Recovery & Reinvestment Act (ARRA) (Information Systems Upgrade)	16 803	B82-8-071	913,532
U S Department of Justice	American Recovery & Reinvestment Act (ARRA) (Information Systems Upgrade)	16 803	B82-8-125	<u>131,253</u>
Total Department of Justice cluster				1,184,770
U.S. Department of Justice, passed through Louisiana Commission on Law Enforcement				
U S Department of Justice	Prosecutors information management system Crime control safe streets (Criminal records improvements)	16 554	H08-8-003 H09-8-002	138,270
U S Department of Justice	Crime Victims Assistance Elderly Victims Assistance	16 575	C09-8-011 C09-8-012	<u>109,047</u>
Total Department of Justice				<u>1,432,087</u>
Department of Health and Human Services, passed through Louisiana Department of Social Services				
U S Department of Social Services	Child support enforcement - (Title IV-D)	93 563	690636/ 360-100025	<u>122,187</u>
Total Department of Health and Human Services				<u>122,187</u>
TOTAL FEDERAL FINANCIAL ASSISTANCE				\$ <u><u>1,554,274</u></u>

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards of Louisiana District Attorneys Association, Inc has been prepared in conformity with accounting principles generally accepted in the United States of America. Expenditures are recognized when incurred.

The Association did not have any non-cash awards during the fiscal year.

2. DETERMINATION OF TYPES A AND B PROGRAMS

Federal awards programs are classified as either Type A or Type B programs. For the period ending June 30, 2012, Type A programs consist of the federal programs that expended over \$300,000 and Type B programs are the programs that expended under \$300,000.

3 CLUSTER OF PROGRAMS

A cluster is defined as a grouping of closely related programs that share common compliance requirements. While each individual program has its own CFDA number, the expenditures of these programs are totaled by cluster when determining Type A and Type B programs.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART I – Summary of Auditor’s Results

Financial Statements

1. A qualified opinion was issued on the financial statements of Louisiana District Attorneys Association, Inc for the year ended June 30, 2012
- 2 Internal control over financial reporting
 - Material weaknesses None noted
 - Significant deficiencies. Findings 2012-01, 2012-02.
 - Noncompliance material to financial statements: None noted.

Federal Awards

1. Internal control over major programs:
 - Material weaknesses: None noted
 - Significant deficiencies None noted
- 2 An unqualified opinion was issued on compliance for major programs of Louisiana District Attorneys Association, Inc
- 3 There were no audit findings which are required to be reported in accordance with OMB Circular A-133, Section 510(a)

- 4 Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Federal CFDA No</u>	<u>Expenditures</u>
U S. Department of Justice		
RICO Financial Investigations	16 738	\$ 139,985
ARRA - Information System Upgrade	16 803	131,253
ARRA – Information System Upgrade	16 803	<u>913,532</u>
Total		\$ <u>1,184,770</u>

- 5 The dollar threshold used for distinguishing Types A and B programs was \$300,000.
- 6 Louisiana District Attorneys Association, Inc does not qualify as a low-risk auditee as that term is defined in OMB Circular A-133.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART II – Financial Statement Findings Section

Finding No 2012-01 Preparation of Financial Statements

Statement of

Condition:

As is common in small organizations, management has chosen to engage the auditor to prepare the Association's annual financial statements. This condition is intentional by management based upon the Association's financial complexity, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles.

Criteria:

Generally accepted auditing standards consider the lack of control over the preparation of a complete GAAP financial reporting package could prevent those charged with governance from identifying misstatements in a timely manner which could result in misstated or incomplete financial statements and is considered to be a significant deficiency in internal control.

Cause

Statement on Auditing Standards (SAS) 115 requires that we report the above condition as a control deficiency. The SAS does not provide exceptions to reporting deficiencies that are mitigated with non-audit services rendered by the auditor or deficiencies for which the remedy would be cost prohibitive or otherwise impractical. The Association has relied on its auditors to assist management in the preparation of draft financial statements.

Recommendation

As mentioned, whether or not it would be cost effective to cure a control deficiency is not a factor in applying SAS 115's reporting requirements. Because prudent management requires that the potential benefit from an internal control must exceed its cost, it may not be practical to correct all the deficiencies an auditor reports under SAS 115. In this case, we do not believe that curing the significant deficiency described above would be cost effective or practical and accordingly do not believe any corrective action is necessary.

Response

In response to the finding, management feels that it is a prudent use of public funds to engage the auditor to prepare the Association's annual financial reports. We therefore agree with the auditor's recommendation that no corrective action is necessary.

LOUISIANA DISTRICT ATTORNEYS ASSOCIATION, INC
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

PART II – Financial Statement Findings Section (continued)

Finding No. 2012-02 Financial Reporting

Statement of Condition:	The Association's financial statements do not include the postretirement benefit liability and related disclosures as required by <i>FASB ASC 715-20 50</i> . This condition is intentional by management due to the cost of having an actuarial valuation performed to determine this liability.
Criteria:	Louisiana audit law requires that agencies that report to the Legislative Auditor provide GAAP basis financial statements.
Cause	The Association did not have an actuarial valuation performed to determine the post-employment benefit liability; therefore, the Association's financial statements do not reflect the post-employment liability.
Recommendation	Due to the cost of hiring an actuary for the next two years, we recommend that the Association delay the recording of the post-employment benefit liability and related footnotes until this information becomes available through the District Attorney's Retirement System.
Response	We feel that hiring an actuary to determine the Association's post-employment benefit liability would not be cost-effective for the Association at this time. The Association will record this liability and related disclosures when <i>GASB 68, Accounting and Financial Reporting for Pensions</i> , becomes effective and this information becomes available through the retirement system's actuary.

PART III – Federal Award Findings and Questioned Cost Section

No matters are reportable

Summary of prior year findings

2011-01 Preparation of Financial Statements

As is common in small organizations, management has chosen to engage the auditor to prepare the Association's annual financial statements. This condition is intentional by management based upon the Association's financial complexity, along with the cost effectiveness of acquiring the ability to prepare the financial statements in accordance with generally accepted accounting principles. This is repeated as finding 2012-01 in the current year.